

§ 410.155 Outpatient mental health treatment limitation.

(a) *Definitions.* As used in this section, unless the context indicates otherwise, “*Mental, psychoneurotic, or personality disorder*” means the specific psychiatric conditions described in the American Psychiatric Association’s Diagnostic and Statistical Manual—Mental Disorders. “*Hospital*” means any hospital that is primarily engaged in providing, by or under the supervision of physicians, diagnostic and therapeutic services for the medical diagnosis, treatment, and care of injured, disabled or sick persons, or rehabilitation services for the rehabilitation of injured, disabled or sick persons; or psychiatric services for the diagnosis and treatment of mentally ill persons; and medical services for the diagnosis and treatment of tuberculosis.

(b) *Services subject to limitation.* The mental health treatment limitation applies to the following services furnished for the treatment of a mental, psychoneurotic, or personality disorder, when the services are furnished to an individual who is not an inpatient in a hospital:

- (1) CORF services.
- (2) Physicians’ services that meet the criteria of part 405, subpart F of this chapter for payment on a fee schedule basis in accordance with part 414 of this chapter.
- (3) Physician assistant services, as defined in section 1861(s)(2)(K)(i) of the Act, that are furnished after December 31, 1990.
- (4) Clinical psychologist services, as defined in section 1861(ii) of the Act, that are furnished after December 31, 1990.

(c) *Limitation on incurred expenses—(1) Current limit.* For purposes of §§ 410.152 and 410.160, incurred expenses for the services specified in paragraph (b) of this section exclude expenses that are in excess of 62½ percent of the sum of the reasonable charges for physician services and the customary charges for CORF services.

(2) *Previous limits.* For years before calendar year 1990, incurred expenses that could be considered were limited to the lower of the current 62½ percent and a fixed dollar amount that—

(i) For calendar years before 1988, was \$312.50;

(ii) For calendar year 1988, was \$562.50; and

(iii) For calendar year 1989, was \$1,375.

(d) *Example.*

As a private patient, Mr. X’s only medical expenses during the calendar year 1982 amounted to \$750 for physicians’ services in connection with the treatment of a mental disorder which did not require inpatient hospitalization. The statutory limit for any calendar year on the amount of these expenses that is covered under this subpart B is \$312.50 (\$312.50 being lesser in amount than 62½ percent of \$750). Mr. X is required to meet the first \$75 as a deductible, and 20 percent of the balance. The remaining 80 percent is payable under this subpart B.

Total covered expenses	Mr. X’s payment	Payment under subpart B
\$312.50	² \$437.50
–75.00 ¹	175.00
237.50	³ 47.50	⁴ 190.00

¹ Deductible, as described in § 409.360.
² In excess of \$312.50.
³ 20 percent of total covered expenses less deductible.
⁴ 80 percent of total covered expenses less deductible.

If Mr. X had incurred \$350 of the above expenses while an inpatient of an institution (see paragraph (b) of this section), and the remaining \$400 while not an inpatient of an institution, payment would be computed as follows:

Total covered expenses	Mr. X’s payment	Payment under subpart B
\$250 ¹	² \$150
+350 ³
600	⁴ 75
–75
525	⁵ 105	⁶ 420

¹ 62½ percent of \$400.
² In excess of 62½ percent of \$400.
³ 100 percent of expenses incurred while an inpatient.
⁴ Deductible.
⁵ 20 percent of total covered expenses less deductible.
⁶ 80 percent of total covered expenses less deductible.

[51 FR 41339, Nov. 14, 1986, as amended at 56 FR 8842, Mar. 1, 1991; 58 FR 30668, May 26, 1993; 59 FR 6578, Feb. 11, 1994]

§ 410.160 Part B annual deductible.

(a) *Basic rule.* Except as provided in paragraph (b) of this section, incurred expenses (as defined in § 410.152) are subject to, and count toward meeting the annual deductible.

(b) *Exceptions.* Expenses incurred for the following services are not subject